discover some of the principles underlying present-day merchandise distribution, and, on the other hand, to those to whom these principles will be useful when discovered.

PAUL T. CHERINGTON

GRADUATE SCHOOL OF BUSINESS ADMINISTRATION
HARVARD UNIVERSITY

The Finances of the City of New York. By YIN-CH'U MA. (Columbia University Studies, LXI, No. 2.) New York: Longmans, Green & Co., 1914. 8vo, pp. 308. $2.50.

The subject of this study, which is not clearly indicated by its title, is the life-history of the budget of New York City as administered under the new financial methods introduced during the last ten years. The purpose of the author, as indicated in his introduction, is to show how the new methods have, to a large extent, eliminated graft and inefficiency in the city's finances.

Part I of the study describes "Scientific Budget Making." The first step in the reform of the city budget was to secure accurate and honest estimates of expenditures from the departmental chiefs and their subordinates. To do this it was necessary to discard the old "lump-sum" method of making estimates and appropriations, since such appropriations led to misapplication and waste of the public moneys. They also made it impossible to discover the relation between money expended and return to the public (pp. 27–28). To get rid of these evils a "double segregation" of budget items (by function and by object) and an elaborate classification of accounts were introduced. But the new method of budget-making does more than prevent irregularities in the expenditure of funds. It enables the controller to present an intelligible summary of the fiscal operations of the city. The result has been a much wider interest in these operations.

The net result of the new methods, in dollars and cents, is shown by the fact that since the beginning of scientific budget-making the annual increase in the expenditures has been relatively smaller than in previous years. And "fifty divisions of the city government have been allowed less money in 1914 than in 1913; yet this reduction was regarded as the best way to get more and better service" (p. 94).

A brief consideration of the various taxes from which the city derives a major part of its revenues makes up the second division of the monograph. Non-tax revenues are not discussed except with respect to the method of accounting for receipts.

In Part III the character and management of the city debt is discussed. During about ten years, while the principal of the debt has grown rapidly, the rate of interest which the city has been compelled to pay for loans has also risen. In 1903 the $3\frac{1}{2}$ per cent bonds were sold at a large enough premium to reduce the net income to 3.32–3.45 per cent, but in 1913 the $4\frac{1}{2}$ per cent bonds sold practically at par (pp. 187–88). Other facts also show the demand for New York City's bonds to be declining. The question arises whether this is due to impairment of confidence of the investing public in the city's bonds. The author answers the question in the negative. The causes are in part general and affect all securities of this class; in part they are of special nature—such as the extension of the tax-exemption privilege to the bonds of all municipalities throughout the state (pp. 190–92).

Part IV is devoted to an explanation of the methods used in controlling revenues and expenditures. Much technical detail is given.

The entire study is, in fact, replete with details and illustrations, but the author makes a fairly good exposition of a dry and technical subject. Some slips in the use of economic terminology do, however, occur in the text. For example, we are told that certain of New York's industrial undertakings "not only are self-supporting, but also yield sufficient income to pay current expenses of maintenance and operation, ..." (p. 170), and that New York City's "bonds are so popular that buyers are even willing to sacrifice some of their income to secure them" (p. 178).

FREDERIC B. GARVER

LELAND STANFORD JUNIOR UNIVERSITY

Latin America. Clark University Addresses, November, 1913. Edited by GEORGE H. BLAKESLEE. New York: G. E. Stechert & Co., 1914. 8vo, pp. xii+388. $2.50 net.

This is a collection of the papers which were read at a conference which met at Clark University in November, 1913, to discuss various phases of relationship between the United States and Latin America. Some forty men were present at that meeting, and each one has expressed himself upon some aspect of Latin American affairs.

That such a conference should be held and that such a collection of addresses should be published under this title is an interesting sign of the times. It implies the recognition of the fact that the states of the Western Hemisphere have much in common. This fact has been in the background of our national consciousness for about a century, but our United States has been so much